

§ 1710.206 Approval requirements for load forecasts prepared pursuant to approved load forecast work plans.

(a) *Contents of load forecasts prepared under an approved load forecast work plan.* In addition to the minimum requirements for load forecasts under § 1710.205, load forecasts developed and submitted by borrowers required to have an approved load forecast work plan shall include the following:

(1) Scope of the load forecast. The narrative shall address the overall approach, time periods, and expected internal and external uses of the forecast. Examples of internal uses include providing information for developing or monitoring demand side management programs, supply resource planning, load flow studies, wholesale power marketing, retail marketing, cost of service studies, rate policy and development, financial planning, and evaluating the potential effects on electric revenues caused by competition from alternative energy sources or other electric suppliers. Examples of external uses include meeting state and Federal regulatory requirements, obtaining financial ratings, and participation in reliability council, power pool, regional transmission group, power supplier or member system forecasting and planning activities.

(2) Resources used to develop the load forecast. The discussion shall identify and discuss the borrower personnel, consultants, data processing, methods and other resources used in the preparation of the load forecast. The borrower shall identify the borrower's member and, as applicable, member personnel that will serve as project leaders or liaisons with the authority to make decisions and commit resources within the scope of the current and future work plans.

(3) A comprehensive description of the database used in the study. The narrative shall describe the procedures used to collect, develop, verify, validate, update, and maintain the data. A data dictionary thoroughly defining the database shall be included. The borrower shall make all or parts of the database available or otherwise accessible to RUS in electronic format, if requested.

(4) A narrative for each new load forecast or update of a load forecast discussing the methods and procedures used in the analysis and modeling of the borrower's electric system loads as provided for in the load forecast work plan.

(5) A narrative discussing the borrower's past, existing, and forecast of future electric system loads. The narrative must identify and explain substantive assumptions and other pertinent information used to support the estimates presented in the load forecast.

(6) A narrative discussing load forecast uncertainty or alternative futures that may determine the borrower's actual loads. Examples of economic scenarios, weather conditions, and other uncertainties that borrowers may decide to address in their analysis include:

- (i) Most-probable assumptions, with normal weather;
- (ii) Pessimistic assumptions, with normal weather;
- (iii) Optimistic assumptions, with normal weather;
- (iv) Most-probable assumptions, with severe weather;
- (v) Most-probable assumptions, with mild weather;
- (vi) Impacts of wholesale or retail competition; or
- (vii) new environmental requirements.

(7) A summary of the forecast's results on an annual basis. Include alternative futures, as applicable. This summary shall be designed to accommodate the transfer of load forecast information to a borrower's other planning or loan support documents. Computer-generated forms or electronic submissions of data are acceptable. Graphs, tables, spreadsheets or other exhibits shall be included throughout the forecast as appropriate.

(8) A narrative discussing the coordination activities conducted between a power supply borrower and its members, as applicable, and between the borrower and RUS.

(b) *Compliance with an approved load forecast work plan.* A borrower required to maintain an approved load forecast

work plan must also be able to demonstrate that both it and its RUS borrower members are in compliance with its approved load forecast work plan for the next load forecast or update of a load forecast.

§ 1710.207 RUS criteria for approval of load forecasts by distribution borrowers not required to maintain an approved load forecast on an ongoing basis.

Load forecasts submitted by distribution borrowers that are unaffiliated with a power supply borrower, or by distribution borrowers that are members of a power supply borrower that has a total utility plant less than \$500 million and that is not itself a member of another power supply borrower with a total utility plant of \$500 million or more must satisfy the following minimum criteria:

- (a) The borrower considered all known relevant factors that influence the consumption of electricity and the known number of consumers served at the time the study was developed;
- (b) The borrower considered and identified all loads on its system of RE Act beneficiaries and non-RE Act beneficiaries;
- (c) The borrower developed an adequate supporting data base and considered a range of relevant assumptions; and
- (d) The borrower provided RUS with adequate documentation and assistance to allow for a thorough and independent review.

§ 1710.208 RUS criteria for approval of all load forecasts by power supply borrowers and by distribution borrowers required to maintain an approved load forecast on an ongoing basis.

All load forecasts submitted by power supply borrowers and by distribution borrowers required to maintain an approved load forecast must satisfy the following criteria:

- (a) The borrower objectively analyzed all known relevant factors that influence the consumption of electricity and the known number of customers served at the time the study was developed;
- (b) The borrower considered and identified all loads on its system of RE Act

beneficiaries and non-RE Act beneficiaries;

(c) The borrower developed an adequate supporting database and analyzed a reasonable range of relevant assumptions and alternative futures;

(d) The borrower adopted methods and procedures in general use by the electric utility industry to develop its load forecast;

(e) The borrower used valid and verifiable analytical techniques and models;

(f) The borrower provided RUS with adequate documentation and assistance to allow for a thorough and independent review; and

(g) In the case of a power supply borrower required to maintain an approved load forecast on an ongoing basis, the borrower adequately coordinated the preparation of the load forecast work plan and load forecast with its member systems.

§ 1710.209 Approval requirements for load forecast work plans.

(a) In addition to the approved load forecast required under §§1710.202 and 1710.203, any power supply borrower with a total utility plant of \$500 million or more and any distribution borrower with a total utility plant of \$500 million or more must maintain an approved load forecast work plan. RUS borrowers that are members of a power supply borrower with a total utility plant of \$500 million or more must cooperate in the preparation of and submittal of the load forecast work plan of their power supply borrower.

(b) An approved load forecast work plan establishes the process for the preparation and maintenance of a comprehensive database for the development of the borrower's load forecast, and load forecast updates. The approved load forecast work plan is intended to develop and maintain a process that will result in load forecasts that will meet the borrowers' own needs and the requirements of this subpart. An approved work plan represents a commitment by a power supply borrower and its members, or by a large unaffiliated distribution borrower, that all parties concerned will prepare their load forecasts in a timely manner pursuant to the approved load forecast